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July 7, 2004

Ms. Diana Lee
Investigations and Hearings Division
Enforcement Bureau
Federal Communications Commission
445 Twelfth Street, S.W.; 6C-326
Washington D.C. 20554

Re: *Applications of Ameritech Corp., Transferor, and SBC Communications, Inc., Transferee, For Consent to Transfer of Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95, and 101 of the Commission's Rules (CC Docket No. 98-141)—Post Merger Audit Requirements*

Dear Ms. Lee:

Per your request, I have provided additional information regarding the conditions that sunset after May 31, 2004. Please see "Additional Notes to Table 2" below.

On June 7, 2004, SBC sent a letter to Mr. William Davenport requesting that the Commission discontinue requiring SBC to obtain SBC/Ameritech post-merger compliance audits for the years beginning on or after January 1, 2004.¹ In the letter, SBC stated there is no productive reason for the Commission or SBC to devote their resources to further audits since most of the merger conditions sunset prior to January 1, 2004. As of May 31, 2004, only eight merger conditions, exclusive of the five administrative conditions, had not sunset. These eight remaining operative conditions primarily require SBC to maintain an existing obligation and do not impose any prospective obligations yet to be achieved and audited. Also, SBC will continue to file annual merger reports on March 15, describing SBC's compliance with the remaining merger conditions. This report will allow the Commission and others to confirm SBC's compliance with the merger conditions, without expending costly and time consuming resources necessary for an independent audit.

SBC estimates the merger condition audits for the years 2004 and beyond would cost at least one million dollars, above and beyond the time and resources that would be expended by SBC and Commission personnel to support and review the audits. Obviously, the financial and operation burdens of additional audits outweigh any possible benefits of continued audits of previously achieved compliance obligations.

¹ See Letter from Jim Lamoureux, Senior Counsel, SBC Telecommunications, Inc., to William Davenport, Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, dated June 7, 2004.

If you have any questions, please do not hesitate to contact me at (202) 326-8894.

Sincerely,



cc: William Davenport
Peter Young

Table 1 SBC/Ameritech Merger Conditions that have Sunset through June 1, 2004		
Condition Number	SBC/Ameritech Merger Condition	Sunset Year
1	Separate Affiliate for Advanced Services	2003
2	Discounted Surrogate Line Sharing Charges	2000
4	Access to Loop Information for Advanced Services	2003
5	Loop Conditioning Charges and Cost Studies	2002
7	Carrier-to-Carrier Performance Plan	2004 - Compliance for 2004 included in scope of 2003 compliance audit.
9	Restructuring OSS Charges	2002
10	OSS Assistance to Qualifying CLECs	2002
11	Collocation Compliance	2002
12	Most-Favored-Nation Provisions for Out-of-Region and In-Region Arrangements	2002
13	Multi-state Interconnection and Resale Agreements	2002
17	Offering of UNEs	2003
18	Alternative Dispute Resolution through Mediation	2002
20	Access to Cabling in Multi-Unit Properties	2002
21	Out-of-Territory Competitive Entry	2002
22	InterLATA Services Pricing	2004 – Compliance for 2004 included in scope of 2003 compliance audit.
24	Additional Service Quality Reporting	2002
25	NRIC Participation	2002

Table 2 SBC/Ameritech Merger Conditions that Sunset after May 31, 2004		
Condition Number	SBC/Ameritech Merger Condition	Sunset Year
3	Advanced Services OSS	2005 - Complete after SBC East sunsets August 2005.
6	Non-discriminatory Rollout of xDSL Services	2005 - Complete after Indiana Urban sunsets January 2005.
8	Uniform and Enhanced OSS	2003 – The Company must provide access to the OSS enhancements and additional interfaces for 36 months after they were deployed.
14	Unbundled Loop Discount	2003 - The Company remains obligated to discount loops ordered pursuant to this offering for 36 months for qualifying loops.
15	Resale Discount	2002 - The Company remains obligated to provide the promotional discount ordered prior to the sunset of the offer for 36 months.
16	UNE Platform	2002- The Company remains obligated to provide the promotional UNE platform for 36 months from date of installation .
19	Shared Transferred in Ameritech States	To be determined.
23	Enhanced Lifeline Plans	2004 – Complete after Arkansas sunsets in August 2004. All other states sunset before May 2004.

Additional notes to Table 2

Condition 3 – Sunsets in all other states on October 22, 2004.

Condition 6 - Sunsets in all other states on or before the end of May 2004.

Condition 8 – SBC East sunsets August 7, 2005. Sunsets in all other states on April 24, 2005.

Condition 14 - Offer window sunsets in the last states in November 2003, but loops ordered under the condition receive the discount for 36 months. Consequently the number of loops receiving the discount will decline incrementally to zero in November 2006 as loops are disconnected or have received the discount for 36 months.

Condition 15 – Offer window sunset in November 2002 but lines ordered under the condition receive the discount for 36 months. Consequently, the number of lines receiving the discount will decline incrementally to zero in November 2005 as lines are disconnected or have received the discount for 36 months.

Condition 16 - Last lines under this condition sunset November 8, 2005.